

Premium Rates

The workers' compensation system in British Columbia is funded by employer premiums, as well as investment returns from those premiums. Premiums fund the costs associated with work-related injuries or diseases, health care, wage loss, rehabilitation and administration.

The overall premium rate for an employer in B.C. is comprised of a base premium rate for their rate group, along with either a discount or surcharge based on their individual health and safety performance.

The *Workers Compensation Act* requires WorkSafeBC to set premium rates for employers annually.

Base Premium Rate

WorkSafeBC's classification system is designed to be fair and equitable. The classification system groups employers with similar levels of risk that reflect the rate of injury and illness in the various industries across the province.

Increases and decreases in the base premium rate are driven by provincial injury rates, return-to-work performance and the resulting claim costs, and investment returns.

Industries with higher-trending claim costs move to higher-risk rate groups and pay higher rates. Those with lower-trending claim costs move to lower-risk rate groups and pay lower rates.

Each year, the costs in some industries go up, some go down and others stay the same.

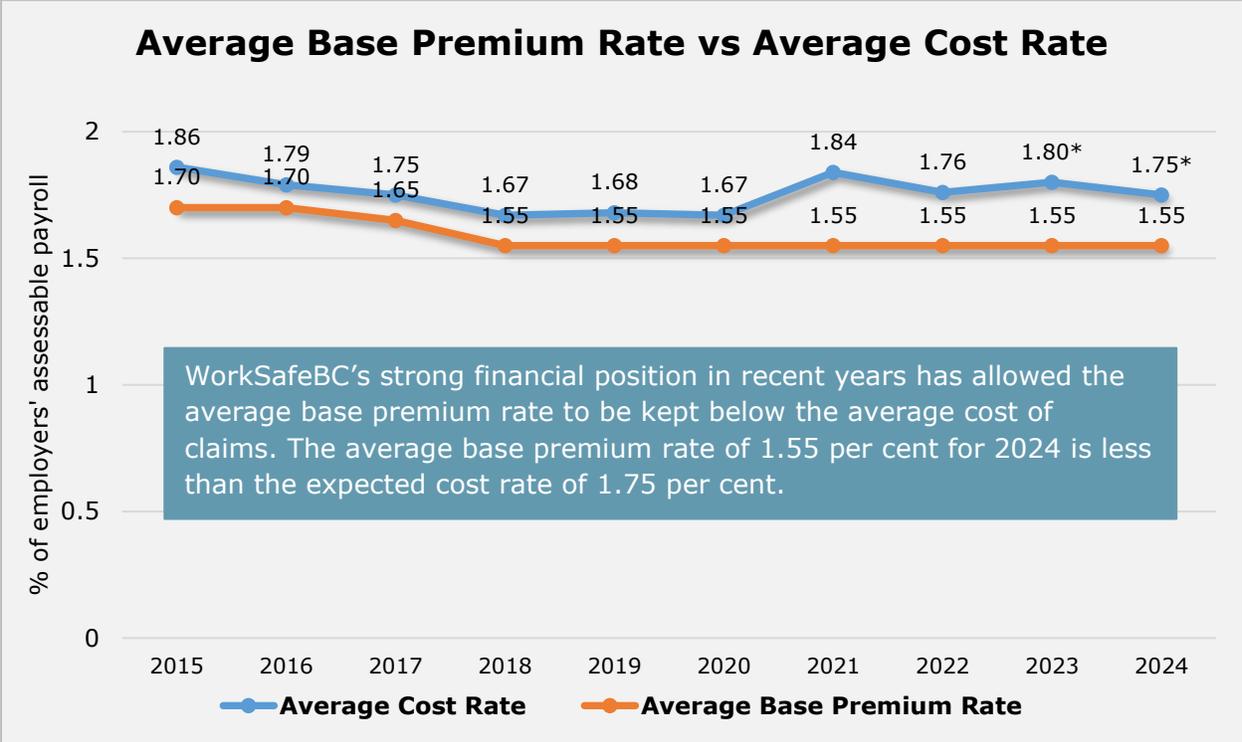
Experience Rating

Employers in B.C. can drive their premium rates lower by improving health and safety outcomes in their workplace.

In addition to the establishment of base premium rates at the rate-group level, an individual employer's claim-cost history is also factored into its rates. Employers with a claim-cost history that is lower-than-average for their rate group will receive an experience-rating discount, while employers with a higher-than-average claim-cost history will receive a surcharge.

Key Facts

- There are 515 [classification units](#) of similar businesses in B.C. and approximately 55 separate rate groups.
- The average base premium rate in B.C. today is lower than it was in 2015. In 2015, the average premium rate was 1.70 per cent of employers' assessable payroll, falling to 1.65 per cent in 2017 and then to 1.55 per cent in 2018.
- WorkSafeBC's strong financial position has allowed the average base premium rate to be kept below the average cost of claims. The average base premium rate of 1.55 per cent for 2024 is less than the expected cost rate of 1.75 per cent.
- Between 2020 and 2024, WorkSafeBC projects that \$1.8 billion of [surplus funds](#) will have been used to keep the rates paid by employers below the cost of claims.



* Projected

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